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1
                  UNITED STATES DISTRICT COURT
 2
                NORTHERN DISTRICT OF CALIFORNIA
 3
     SURGICAL INSTRUMENT SERVICE
 4
                                       )
     COMPANY, INC.,
                                       )
 5
                                       )
              Plaintiff,
 6
                                       ) Case No.
              vs.
 7
                                       ) 3:21-CV-03496-VC
     INTUITIVE SURGICAL, INC.,
 8
              Defendant.
 9
10
11
12
            VIRTUAL VIDEOCONFERENCE VIDEO-RECORDED
13
              DEPOSITION OF GREG POSDAL, 30(B)(1)
14
15
                    Tuesday, November 1, 2022
16
           Remotely Testifying from Phoenix, Arizona
17
18
19
20
21
22
     Stenographically Reported By:
23
24
     Hanna Kim, CLR, CSR No. 13083
25
     Job No. 5541334-B
                                                   Page 1
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                 UNITED STATES DISTRICT COURT
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                NORTHERN DISTRICT OF CALIFORNIA
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     SURGICAL INSTRUMENT SERVICE
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                                       )
     COMPANY, INC.,
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              Plaintiff,
6
                                       ) Case No.
              vs.
 7
                                       ) 3:21-CV-03496-VC
     INTUITIVE SURGICAL, INC.,
8
              Defendant.
9
10
11
12
               Virtual videoconference video-recorded
     deposition of GREG POSDAL, in the capacity of a
13
     30(B)(1) witness, Remotely Testifying from Phoenix,
14
     Arizona, on Tuesday, November 1, 2022, beginning at
15
16
     11:14 a.m., PDT, and concluding at 2:36 p.m.,
17
     pursuant to the stipulations of counsel thereof,
     before Hanna Kim, CLR, Certified Shorthand Reporter,
18
19
     No. 13083.
20
21
22
23
24
25
                                                    Page 2
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1	DEMORE MIDEOCONEEDENCE ADDEADANCES OF COUNCEL!
1 2	REMOTE VIDEOCONFERENCE APPEARANCES OF COUNSEL:
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	Page 3

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15	RAMON PERAZA, Videographer
16	
17	
18	
19	
20	
21	
22	
23	
2 4	
25	
	Page 4

1	Α.	Head of the flexible repair lab, flexible	
2	endoscope	repair lab.	
3	Q.	What is Keith Posdal's role?	
4	Α.	Head of the used equipment and	
5	instrument	tation.	11:18:08
6	Q.	What is John Jarrette's?	
7	Α.	Head of instrumentation.	
8	Q.	Who does Keith Johnson report to?	
9	Α.	Me I'm sorry. I missed that.	
10	Q.	Does he currently report to you, or does	11:18:23
11	he report	to the COO?	
12	A.	He currently reports to me.	
13	Q.	So the COO and Mr. Johnson report to you,	
14	and then t	the other folks who were previously in your	
15	reporting	chain report to the COO now?	11:18:35
16	A.	That's correct.	
17	Q.	Okay. And Mr. Johnson is the SVP of	
18	sales; is	that correct?	
19	A.	Yes.	
20	Q.	Are Denise and Keith Posdal relations of	11:18:43
21	yours?		
22	A.	Siblings.	
23	Q.	How long have you been employed by SIS?	
24	A .	Since 1983. So 42 years, something like	
25	that. Is	that is that right?	11:19:04
			Page 10

```
1
               No -- yeah. Is it -- no, 41 years.
2
     40 years. I don't know.
          Q. I think it's around 40.
3
               What was your role when you first joined
4
5
     SIS?
                                                           11:19:22
6
          A. I was in a -- a repair role and kind of a
     research and development role. We added services.
7
     I added services to what we were currently
8
9
     repairing.
10
          Q.
               When did you become president and CEO? 11:19:34
11
          A. 2000, I think.
12
          Q. Who was the president and CEO prior to
13
     you?
14
          A. Robert Posdal, my father.
15
          Q. Describe for me SIS's business at -- at 11:19:47
16
     the present.
17
               At the present, the great majority of our
     business is -- is repair business, among a number of
18
     different disciplines.
19
          Q. What disciplines does SIS provide repair 11:20:06
20
21
     services in?
22
          A. Stainless steel instrumentation, specialty
23
     instrumentation, frigid endoscopes, flexible
24
     endoscopes, orthopaedic power instrumentation, video
     instruments, and miscellaneous instruments. I think 11:20:25
25
                                                          Page 11
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1	I got them all.	
2	Q. Where, if anywhere, in in that list	
3	does robotics fall?	
4	A. That's that's a separate department.	
5	And one that's not currently performed in-house.	11:20:52
6	Q. Okay. Are there other departments that	
7	SIS facilitates services for but are not performed	
8	in-house?	
9	A. Previously mentioned harmonic scalpels,	
10	PHACO handpieces, fiberoptic light cables, and some	11:21:14
11	overflow when we're beyond capacity.	
12	Q. When when you say "overflow when you're	
13	beyond capacity," you're referring to the the	
14	other categories that you mentioned previously?	
15	A. That's correct.	11:21:40
16	Q. So for the the list of disciplines that	
17	you mentioned previously, in the ordinary course,	
18	those those repair services are provided by SIS	
19	employees; is that right?	
20	A. That's correct.	11:21:59
21	Q. When SIS uses subcontractors, does it	
22	disclose to its customers that it has subcontracted?	
23	A. Not generally.	
24	Q. Why not?	
25	A. They don't they haven't asked. They	11:22:11
		Page 12

1	those was. They had an agreement with them for a	
2	period of a year, and we had to wait for that	
3	agreement to end to start working with Rebotix.	
4	Q. What was the other company that had an	
5	agreement with them?	11:42:25
6	A. I I I can't be a hundred percent	
7	certain. But I believe that was Restore Robotics,	
8	or or whatever's Clif's company was at that time.	
9	Not sure if it it was named that or not.	
10	Q. Was SIS's arrangement with Rebotix	11:42:42
11	exclusive, or was Rebotix allowed to have other	
12	companies service customers for them?	
13	A. Again, we were in the beginning phases of	
14	that. But the discussions with Chris Gibson said	
15	that their efforts had basically yielded no success	11:42:58
16	in their in in anyone else's ability to	
17	sell this program.	
18	We felt highly confident with our contacts	
19	and our relationships and and our background that	
20	we would be successful in this. And so, we were in	11:43:14
21	discussions with them about getting to the point	
22	where it would be exclusive again.	
23	They I think they had some doubt	
24	whether we could do that or not based on their	
25	previous experiences, but we were confident once we	11:43:33
		Page 26

1	could show them that that we could provide this	
2	service accurately to customers, that we would be	
3	able to move towards a more permanent and exclusive	
4	relation relationship with them.	
5	Q. Why was SIS confident that it would be	11:43:50
6	successful in the EndoWrist reset business?	
7	A. A number of reasons. Being in the	
8	business for as long as we had, we knew there was an	
9	appetite for this service. From customers, I think	
10	there largely was concern. I don't know if disdain	11:44:10
11	is too strong of a word about Intuitive and that the	
12	customers didn't understand why these things were so	
13	expensive, why they had limited lives, et cetera.	
14	I think they they were clamoring for an	
15	option. And and we had some significant	11:44:35
16	relationships with with IDNs and GPOs and knew	
17	what the potential savings to the hospitals could	
18	look like. And were were convinced that we'd be	
19	able to do a great job of of bringing this to	
20	market.	11:45:00
21	Q. What customers expressed to you that they	
22	didn't understand why EndoWrist instruments had	
23	limited lives?	
24	A. Can you repeat that question.	
25	Q. Sure.	11:45:15
		Page 27

1	What SIS customers expressed to you that	
2	they didn't understand why EndoWrist instruments had	
3	limited lives?	
4	A. I personally probably didn't have any of	
5	those conversations. Those were largely Keith 11:45:27	
6	Johnson conversations. So I had no direct	
7	conversations about those.	
8	Q. Would would your answer be the same	
9	about customers that expressed a lack of	
10	understanding about why EndoWrist instruments are so 11:45:49	
11	expensive?	
12	A. I would imagine. Yes.	
13	Q. You mentioned that SIS was planning to	
14	perform the EndoWrist reset process in-house	
15	eventually; is that right?	
16	A. That's correct.	
17	Q. What steps would SIS needed to have taken	
18	in order to be able to provide that service	
19	in-house?	
20	A. We had discussions with Rebotix at the 11:46:20	
21	time. We had set up for a training period, where	
22	whereby Rebotix personnel would come to our lab,	
23	help train our people.	
24	Again, the great majority of what would go	
25	into this service from our perspective, from from 11:46:42	
	Page 28	

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1
     our strength, was the fact that we've repaired
 2
     instruments similar this whole time. The only thing
 3
     different was the chip. So we really needed to kind
     of get familiar with the processes surrounding the
 4
 5
     chip component on the replacement and then be taught 11:47:01
 6
     the rest of their policies and procedures for
7
     testing and evaluating those devices.
          Q. So I think you said you had discussions
8
     with Rebotix about all of that. But did -- did any
9
10
     of those steps -- did SIS ever actually ever take 11:47:22
11
     any of those steps, to -- so let -- let --
12
     let's do it this way.
               Did the -- that training period that you
13
     mentioned, did that ever happened?
14
15
          A. It did not.
                                                           11:47:32
          Q. Okay.
16
17
          A.
               It did not. We were assembling the
     components we needed. There were some specialized
18
     devices, one that was mentioned earlier and that was
19
20
     the device to open the EndoWrists undamaged.
                                                  11:47:46
21
               So we purchased the -- the items we needed
22
     for that. Some, like I said, were specific. Some
23
     were merely tools. And so, we were in the process
24
     of gathering all of that.
               When was SIS in the process of gathering 11:48:02
25
          0.
                                                          Page 29
```

1	all of that?	
2	A. I I can't say for sure. My best	
3	recollection would be about the middle of 2019, I	
4	suppose.	
5	Q. Did SIS ever get familiar with the	11:48:17
6	processes surrounding the chip component of the	
7	replacement?	
8	A. Not beyond the initial discussion with	
9	Chris Gibson and and a couple after that. We did	
10	have Greg Fiegel up to our lab. He walked through	11:48:42
11	the process with a customer of or answered	
12	questions regarding EndoWrist repair with a customer	
13	that was visiting.	
14	Q. What customer?	
15	A. It was Banner Healthcare.	11:49:01
16	Let me make a note here. I'm not certain	
17	if it was Greg Fiegel. They may have sent someone	
18	else up. I don't recall. It it it could have	
19	been Greg Fiegel. It could have been somebody else.	
20	Q. Okay. Apart from the training period,	11:49:26
21	acquiring the tools that you mentioned, any other	
22	steps that SIS would have needed to take in order to	
23	perform the EndoWrist reset process in-house?	
24	A. Just the training with the what	
25	robotics had established as their parameters for	11:49:48
		Page 30

1	ability to do this, I think that would have pursued	
2	with far more vigor.	
3	It it seemed crazy to invest a lot of	
4	money if we didn't get past the Intuitive's	
5	effect on the hospital and their their ability to	12:02:58
6	feel comfortable with with giving these items out	
7	for chip re reset without, you know, losing	
8	their their service contracts with Intuitive.	
9	Q. When did SIS start working with Restore?	
10	A. Don't know the exact date, but it was	12:03:30
11	likely in the middle of 2020. It was after the	
12	pandemic started rolling.	
13	Q. Does SIS still have any ongoing business	
14	with Rebotix, setting aside Benjamin Bi	
15	Biomedical, but Rebotix specifically?	12:03:55
16	A. Rebotix specifically, no.	
17	Q. Does SIS plan to enter into business again	
18	with Rebotix specifically?	
19	A. Sure. If we have multiple sources for	
20	this service, we will use both of them.	12:04:07
21	Q. Does SIS still plan to perform the service	
22	in-house for the Xi, once that is up and running?	
23	A. I it it would be our our usual	
24	business practice to do that.	
25	Q. Under what circumstances would you not do	12:04:35
		Page 39

1	that?	
2	A. Under the current conditions, if if	
3	hospitals are unwilling to jeopardize their service	
4	agreements with Intuitive, it would be futile to	
5	pursue that.	12:04:49
6	Q. And if those current conditions were to	
7	change, are there any circumstances under which SIS	
8	would rely on service partners to perform the Xi	
9	reset as opposed to doing it in-house?	
10	A. I would suppose that is a question similar	12:05:15
11	to the one we faced early on. It if the if	
12	the volume increased too rapidly, I believe we would	
13	reach out to either/or of those to help supplement	
14	the volume.	
15	Q. Does SIS currently offer its customers the	12:05:34
16	Si EndoWrist reset service?	
17	A. It's available. It hasn't been pursued or	
18	spoken about recently.	
19	Q. If a customer were to approach SIS,	
20	would would the Si reset be performed by Restore	12:06:10
21	or Rebotix?	
22	A. Likely, Rebotix, but I wouldn't dis I	
23	wouldn't count out the ability to use Restore,	
24	Rebotix for that as well.	
25	Q. For the EndoWrist reset services, how much	12:06:32
		Page 40

1	did SIS pay to Rebotix for each service?	
2	A. I believe it was in the neighborhood of	
3	\$800 for the complete service, 8- or \$900 for the	
4	complete service.	
5	Q. Did SIS set its own prices that it charged 12:06:58	
6	to customers for that service, or did it follow	
7	Rebotix pricing?	
8	A. We relied upon Rebotix pricing at the	
9	time.	
10	Q. If SIS had had moved forward and and 12:07:08	
11	performed the service on its own, would it have	
12	continued charging the same Rebotix prices, or would	
13	SIS would have set its own prices?	
14	A. I would think it's hard to say at this	
15	time. I it would have to do with whether or not 12:07:25	
16	we reached an agreement with Rebotix to to	
17	consistently use their pricing and then the feedback	
18	that we had gotten from our customers in terms of	
19	the value of the service.	
20	Q. What feedback did SIS get from its 12:07:36	
21	customers about the value of the service?	
22	A. That they were extremely happy with it.	
23	Q. Did SIS and Rebotix ever have a written	
24	agreement?	
25	A. We were in the process of that. Again, 12:08:08	
	Page 41	

```
I -- this -- this all got shut down so quickly that
1
2
     things just got put on the back burner. So there
3
     was an agreement written. I don't believe there was
     an agreement signed. But there is a -- a verbal
4
5
     understanding that -- that we would continue. 12:08:25
6
               I think we were told by Rebotix that in
7
     the very short period of time that we had provided
     this service that we were the only ones that made --
8
     made any meaningful headway, and they were excited
9
10
     to move forward with us.
                                                           12:08:42
11
               When did Rebotix tell you that?
12
               It -- it had to be 2019/2020, probably the
     second half of 2019.
13
14
          Q. So you mentioned a couple times this --
15
     the program getting shut down or -- or similar 12:09:04
     words.
16
17
          A. Mm-hmm.
          Q. What do you mean by that?
18
          A. I mean that the customers that we had
19
20
     reached out to and some who had -- we had started to 12:09:15
     work with already immediately received letters from
21
22
     Intuitive.
23
               Sometimes it was their local rep, to my
24
     knowledge. Other times it was Intuitive's legal
     counsel sending a scary, threatening letter,
25
                                                          12:09:35
                                                          Page 42
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1	throwing around, you know, scary terms, like this	
2	may violate the FDA and their process, and and	
3	that the the the final threat was and	
4	and those are my words; that that if they pursue	
5	this service, that Intuitive can stop servicing	12:10:00
6	their equipment, will refuse to provide service	
7	to for the robots and potentially provide them	
8	with additional EndoWrists.	
9	I don't know of this directly, but I know	
10	of a story that there are two hospitals, I believe	12:10:24
11	in the southeast, that decided to push back on that	
12	and pursue it. And one hospital was denied access	
13	to new EndoWrists.	
14	They said, Fine. We'll get them from our	
15	sister hospital. And then the sister hospital was	12:10:42
16	threatened with not being able to purchase	
17	additional EndoWrists there, either. And all of our	
18	customers and the people we talked to were very	
19	afraid of having their robotic program shut down.	
20	Q. Did you speak to any customers directly	12:11:02
21	about the letters that they received from Intuitive?	
22	A. I did not. I think I had some discussions	
23	with Perry Kirwan at Banner about the existence of	
24	these letters, and he was aware of them already.	
25	So we probably had some discussions about	12:11:25
		Page 43

1	that. I can't remember off the top of my head if I	
2	had any other specific conversations with any	
3	customers directly.	
4	Q. What did you and Mr. Kirwan discuss?	
5	A. The fact that they very much wanted to	12:11:40
6	proceed with this program. They knew it was a huge	
7	cost savings. They they were confident and	
8	comfortable with the fact that it was safe and	
9	effective.	
10	I don't recall at the time, although, I'm	12:11:52
11	pretty confident we we did provide that service	
12	with them on a handful of instruments to test, and	
13	that they put them back in service without any	
14	issues whatsoever, and were comfortable to move	
15	forward with this.	12:12:13
16	That's probably the only direct	
17	conversation I had with Perry Kirwan about it. I	
18	there's a lot of anecdotal information that came	
19	through Keith Johnson in his discussions with Perry.	
20	Q. How did Mr. Kirwan become confident and	12:12:30
21	comfortable that the reset process was safe and	
22	effective?	
23	A. As I mentioned, I believe we did some	
24	samples for him, and he put them through a put	
25	them back in service and had no issues with it.	12:12:42
		Page 44

1	with everyone	
2	MR. McCAULLEY: Yes.	
3	MR. SNYDER: I'll get I'll jump in.	
4	EXAMINATION	
5	BY MR. SNYDER:	13:57:40
6	Q. Mr. Posdal, thanks for being here today.	
7	To reintroduce myself, I'm Josh Snyder, counsel for	
8	the hospitals plaintiffs and the Proposed Class. I	
9	won't go back through everything that was the	
10	subject of your testimony today, but I have a few	13:57:56
11	areas that I'm hoping to clarify or expand on.	
12	A. Okay.	
13	Q. To start, do you recall earlier today	
14	testifying about Intuitive's use counter for its	
15	EndoWrist?	13:58:16
16	A. Yes.	
17	Q. And I I made a note that you referred	
18	to that use counter at one point as arbitrary. Did	
19	I take that down word correctly?	
20	A. I believe you did.	13:58:26
21	Q. And why why did you describe	
22	Intuitive's EndoWrist use counter as arbitrary?	
23	A. I I guess there were a couple of	
24	reasons. The the main reason is that this	
25	device, outside of the counter, is substantially	13:58:46
		Page 72

1	equivalent to instruments that we've repaired for	
2	decades. There's there's no meaningful or	
3	significant difference. I think we allowed for the	
4	fact that that it differs from some monopolar	
5	instrumentation, in that it has a couple of wires	13:59:08
6	that help steer and direct the distal tip.	
7	Also, that that is not unlike services	
8	that we perform every day on flexible endoscopes.	
9	And the fact that with a little bit of research, it	
10	shows that Intuitive requested 510(k) clearance on	13:59:30
11	these instruments claiming substantial equivalence	
12	to existing instruments in the field.	
13	Those two things together, our experience	
14	with instrumentation and what generally goes wrong	
15	with it, what it needs to put it back into shape,	13:59:53
16	all led us to believe that these instruments were	
17	made for potentially for many more uses than the	
18	ten that they were allowed to use. And and I	
19	think another factor is, some of the very EndoWrists	
20	that Intuitive provides have up to a hundred uses.	14:00:17
21	They're made of the same materials. It it it	
22	seems it it seems impossible to believe	
23	that that some instruments that they could set	
24	for a hundred uses are significantly different from	
25	the ones that they're setting for ten based on	14:00:36
		Page 73

1	reprocessing and things like that.	
2	Q. Is it fair is it fair for me to view	
3	your answer as including the word "arbitrary" to	
4	encompass issues of patients' safety?	
5	MR. CHAPUT: Objection.	14:01:00
6	BY MR. SNYDER:	
7	Q. In other words, do you do you I'll	
8	pause.	
9	MR. CHAPUT: Objection.	
10	BY MR. SNYDER:	14:01:12
11	Q. Well, let me ask it this way:	
12	Do you believe the use counter is	
13	arbitrary when it comes to patient's safety?	
14	MR. CHAPUT: Objection to form.	
15	THE WITNESS: I I I believe it is	14:01:22
16	arbitrary, and and let me, I guess, take that a	
17	step further.	
18	Depending on how the instrument is used.	
19	If the instrument is used properly, if it's	
20	reprocessed properly, if no excessive force or	14:01:39
21	anything is used during surgery or somehow damaged	
22	in reprocessing, the instrument would seem to be	
23	safe for multiple uses as are all of the other	
24	instruments that we provide service to.	
25	That being said, if any of those	14:02:06
		Page 74

```
1
      situations occurred, if there was damage during
 2
     procedure, if it was damaged during reprocessing, if
      it was dropped on the floor, slammed in a case cart,
 3
      any of those things, it -- it could be damaged on
 4
 5
      the very first time. They either -- it -- it could 14:02:24
     have nine uses on it, that -- that definitely
 6
7
     wouldn't have any meaning because the instrument was
     damaged beyond its a repair -- its ability to
8
      function properly.
9
               So all things being correct in use and 14:02:38
10
11
      reprocessing and our experience with other
12
      instrumentation, it would seem that ten uses was far
      too low of a -- an arbitrary number to be assigned
13
14
      to the -- to the number of uses that this instrument
15
     would be safe for use. Again, could damage it on
                                                        14:03:00
      the very first time you use it or -- or before.
16
17
      BY MR. SNYDER:
18
           Ο.
               That -- that's helpful.
                On a slightly different but related topic,
19
      you testified that -- I believe that the opportunity 14:03:14
20
      to SIS in EndoWrist repair was in the tens of
21
22
      millions potentially in excess of $100 million a
23
     year.
24
               Did I get that right?
                                                             14:03:30
2.5
          Α.
               Yes.
                                                            Page 75
```

1	THE WITNESS: Yes, it is.	
2	BY MR. SNYDER:	
3	Q. Am I right that Mr. Johnson for SIS was	
4	the primary person involved in those discussions?	
5	A. That is accurate. 14:11:55	
6	Q. How long have you worked with Mr. Johnson?	
7	A. I believe since 2018.	
8	Q. And did did Mr. Johnson ever report to	
9	you that hospitals were expressing safety concerns	
10	about repaired EndoWrists? 14:12:17	
11	MR. CHAPUT: Object to the form.	
12	THE WITNESS: No.	
13	BY MR. SNYDER:	
14	Q. Do you have any other reason to think that	
15	hospitals have expressed to SIS safety concerns with 14:12:25	
16	respect to repaired EndoWrists?	
17	MR. CHAPUT: Object to the form.	
18	THE WITNESS: No.	
19	BY MR. SNYDER:	
20	Q. Do you recall closer to the beginning of 14:12:43	
21	the day, Intuitive's counsel asked a series of	
22	questions about Rebotix's testing of EndoWrists? Do	
23	you recall that generally?	
24	A. Yes, I do.	
25	Q. And think thinking back to that 14:13:00	
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1
     testimony, my overall question is: Why was SIS
 2
     comfortable relying on Rebotix's testing of
 3
     EndoWrists?
 4
               MR. CHAPUT: Object to the form.
               THE WITNESS: I think we were comfortable 14:13:19
 5
 6
     because, number one, we have experience in the
     repair of devices, similar to the EndoWrist. And we
7
     had viewed their process. And it was an adequate
8
9
     process regarding the physical repair of the
10
     equipment.
                                                           14:13:45
11
               In terms of the -- replacing the counter,
12
     it was, to my knowledge, a very simple process of
13
      soldering an additional component to add lives,
14
     nothing more. The robotic could communicate with
15
     the EndoWrist, still see the model number, the 14:14:09
     serial number. The only thing that would change
16
17
     were the number of available lives on it.
               It's not an, from a mechanical standpoint,
18
     an overly complicated device. Once the robot reads
19
20
      that information, there's no exchange, to my 14:14:24
     knowledge, of any electronic information. It
21
22
     becomes a manual process. The robot guides the --
23
     the EndoWrist. It becomes a mechanical instrument,
24
     one that we are infinitely familiar with.
     BY MR. SNYDER:
                                                            14:14:42
25
                                                          Page 83
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1	Q. And did SIS consider developing its own	
2	testing programs at any point for EndoWrists?	
3	A. As I stated earlier, I we were in the	
4	process of setting up training with the Rebotix	
5	process. At that point, we would work with Rebotix	14:15:00
6	and suggest any potential improvements in testing,	
7	in verification, any of those things, anything that	
8	we could add with our 50 years of experience	
9	repairing medical devices.	
10	Q. Go going back a a few questions, I	14:15:21
11	asked you about SIS's view that EndoWrist repair	
12	could be even in excess of \$100 million per year	
13	opportunity. Does that do you recall that	
14	generally, Mr. Posdal?	
15	A. Yes, I do.	14:15:41
16	Q. And it's it's fair to say, I think,	
17	that S SIS didn't achieve anything close to that	
18	level of success with its EndoWrist repair business?	
19	A. It is fair to say that.	
20	Q. Why why didn't it achieve that level of	14:16:01
21	success?	
22	MR. CHAPUT: Object to form.	
23	THE WITNESS: It's simply the hospitals,	
24	through whatever communication by Intuitive, had	
25	decided it wasn't worth risking shutting down their	14:16:17
		Page 84

1	their legal department, iterated the terms of their	
2	agreement and then ended by saying, if they found	
3	out that the customer was using a third party to do	
4	anything to these EndoWrists, that they may well not	
5	perform a service call when the customer was in	14:17:54
6	need. And and basically basically iterating	
7	that their robot may be inoperable if they choose to	
8	work with a third party.	
9	Q. Thank thank you.	
10	If if there hadn't been the the	14:18:12
11	quick shut down, was SIS prepared to scale up its	
12	EndoWrist repair business?	
13	A. Absolute	
14	MR. CHAPUT: Object to the form.	
15	THE WITNESS: Absolutely.	14:18:24
16	BY MR. SNYDER:	
17	Q. How so?	
18	A. We had already set aside some room. We	
19	had started purchasing equipment. We had the	
20	expertise in-house to take care of all of the	14:18:34
21	testing, if if we got to that point. In the	
22	beginning, we were able to send to Rebotix that	
23	that process would have happened, whether it was	
24	continuing through Rebotix or transitioned to the	
25	work in-house. And most of it was the we were	14:18:55
		Page 86

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1
     planning to bring it all in-house with the exception
2
     of purchasing the actual chip, the -- the -- the
3
     additional component from Rebotix. And they were
     fine with that process.
4
               Thank -- thank you.
                                                             14:19:14
5
          0.
6
               I have just a question or two on an
     exhibit, which I'm going to try to pub- -- introduce
7
8
     now.
9
               Hopefully this works.
               Okay. It should -- should be showing up. 14:20:10
10
               What number is it?
11
          Α.
12
          Q.
               So this will be Plaintiffs' 10 -- 107.
13
               (Previously marked Deposition Exhibit 107
               was referenced.)
14
     BY MR. SNYDER:
                                                             14:20:22
15
16
          Q.
               And --
17
               MR. CHAPUT: I don't see it there.
               MR. SNYDER: So if -- there are a few
18
19
     different folders. The one that has your name and
     then marked exhibits, it's actually at the -- the 14:20:34
20
     top because it's earl- -- an earlier number than the
21
     defense exhibits.
22
               THE WITNESS: Yeah, I don't -- I don't
23
24
     have that yet. Let me try refreshing it again.
               I don't see it. Is that just me? Does
25
                                                           14:20:53
                                                           Page 87
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1	Q. Great.	
2	MR. SNYDER: Thank you, Mr. Posdal.	
3	That's all I have at this time.	
4	THE WITNESS: You're welcome.	
5	EXAMINATION	14:25:27
6	BY MR. McCAULLEY:	
7	Q. Mr. Posdal, I just had a few questions.	
8	Earlier on in the day, I think in the context of	
9	your deposition on behalf of the company, you	
10	testified that you were aware of testing that	14:25:38
11	Rebotix had done that indicated EndoWrists were	
12	capable of being used up to a certain amount of uses	
13	at least.	
14	Do you recall that?	
15	A. I do.	14:25:57
16	Q. And I believe it was up to 50 uses; is	
17	that correct?	
18	MR. CHAPUT: Object to form.	
19	THE WITNESS: I believe in that report,	
20	and I I don't know for certain, I think it said	14:26:07
21	in excess of 50. I I don't recall the exact	
22	verbiage, but 50 was mentioned there.	
23	Q. And did you rely on those tests in	
24	evaluating your decision to participate with Rebotix	
25	in repairing EndoWrists, resetting the counter?	14:26:20
		Page 90

1	MR. CHAPUT: Object to form.	
2	THE WITNESS: We did. We had a	
3	longstanding relationship with them in the other	
4	specialties that we had mentioned previously and	
5	relied on their expertise in in this to be the	14:26:37
6	same the the same quality and and	
7	evaluation.	
8	BY MR. McCAULLEY:	
9	Q. Did you trust Rebotix?	
10	MR. CHAPUT: Object to the form.	14:26:50
11	THE WITNESS: We did. We like I said,	
12	we had a ten-year plus relationship with them. They	
13	serviced the number of devices that that that,	
14	again, are far more complex than the EndoWrists that	
15	we're discussing here today.	14:27:05
16	MR. McCAULLEY: Thank you. I don't have	
17	anything further, Isaac.	
18	FURTHER EXAMINATION	
19	BY MR. CHAPUT:	
20	Q. Okay, Mr. Posdal, I have just a few	14:27:13
21	additional questions.	
22	So first, there was some you you	
23	testified in response to some questions Mr. Snyder	
24	asked about this phrase "substantial equivalence."	
25	Do you recall that testimony?	14:27:31
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